

MAHP Medicaid MCOs: Providing Value Through Innovation

Public Payer Commission Meeting

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About MAHP

MAHP represents 17 member health plans that provide coverage to approx. 2.6 Million Massachusetts residents that operate in the Commercial, Medicaid, Medicare, Commonwealth Care markets.

- MAHP member health plans are the **nation's best health plans**
- The Massachusetts Medicaid MCOs (MCOs) are the best in the nation as measured by quality and member satisfaction.
- The MA Medicaid MCOs are among the **top Medicaid health plans in the country**. The rankings are based on performance in accreditation, preventive health, chronic disease management and satisfaction. The data are publicly reported and are audited by independent auditors.
- Although the PCC Plan has also performed well with respect to national quality standards, a 2013 analysis prepared for MAHP by Milliman, Inc. found that Massachusetts MCOs perform as well if not better than the PCC plan on HEDIS Quality Measures.

MMCOs: Leading Through Innovation

- MCOs bring an organized approach to the financing and delivery of health care for a population that faces many different economic, social, geographic and cultural barriers.
- As health plans, MCOs can address these challenges with a variety of administrative and clinical resources, sophisticated data management, and innovative member programs and tools.
- Individuals with serious behavioral health needs are often dealing with other complex chronic conditions as well, so MCO care management programs are designed to coordinate medical, behavioral, social, and pharmacy services as seamlessly as possible.
- MCOs employ physicians, nurse practitioners, social workers, and pharmacists that work in teams to identify gaps in care and connect members with the services they need.
- Over time, MCO programs have displayed positive results for beneficiaries and help in controlling Medicaid costs and achieving the highest value for their members and for the state.

MMCOs and Payment Reform

- The goals for payment reform are to lower health care costs and improve the quality of care by encouraging efficiency and effective care management and integration.
- Through innovative contracting, MCOs have long assisted providers in moving towards APM through budgeting, population-based analytics, and risk adjustments.
- MCOs provide participating providers with real-time access to patient data, consultative support teams, medical management programs, information sharing, and utilization monitoring.
- As the Commonwealth moves forward with implementation of payment reform, MCOs are well positioned to utilize their experience and expertise to help the state achieve its goals.

MMCOs and Payment Reform

- MCOs integrate the financing and delivery of care. This enables them to support their APM contracts through mutually beneficial partnerships that help provider organizations meet their cost and quality goals.
- MCOs have the ability to work with providers to assess the provider's readiness to move towards alternative payment models and to develop models that meet the providers needs.
 - For example, MCOs supply providers with reports on hospital admissions and re-admissions, emergency room utilization, and pharmacy trends, as well quality reports on members' chronic disease categories and compliance with clinical recommendations.
 - Providers use these reports to track their progress, identify opportunities for improvement, and develop better models of care.
- The state's MCOs are at different stages in their development of APM contracts with provider organizations, but they are on track to evaluate provider readiness, meet providers where they are and move rapidly away from fee-for service.
- MCOs are demonstrating a clear commitment to meeting the state's payment reform goals.

Challenges for MCOs

The MCOs face a number of challenges that threaten the ability to control health care costs and implement payment reforms.

- **ACA Implementation**

- The MMCOs continue to be committed partners to the state as it implements the Affordable Care Act (ACA) however the challenges facing the state in related to the website problems have created significant work for the health plans, particularly the MCOs.
- The MCOs have worked tirelessly with the Administration to address operational and coverage issues associated with the website problems.
- MAHP member MMCOs have spent millions since the inception of ACA implementation in Massachusetts to implement the IT and operational changes associated with health care reform in Massachusetts and to assist the state in manual work-arounds in order to ensure that Massachusetts residents have coverage.
- The expenditure of time, and resources have forced plans to move away from some of their 2014 business plans and state priorities as they have focused more on helping to ensure that Massachusetts residents have access to coverage.

Challenges for MCOs

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- **New High Cost Drugs and Technologies, Ex. Sovaldi for Hepatitis C**
 - There is a class of newly approved drugs on the market to treat Hepatitis C, including Sovaldi and Olysio
 - While these drugs do represent a major advancement in the treatment of Hepatitis C, they are extremely costly.
 - One 12 week cycle of Sovaldi costs approximately \$84,000 and this amount climbs to well over \$100,000 when used in combination with other medications, as is required for effective treatment.
 - These numbers could double for members who require multiple courses of treatment or those with more resistant strains of Hepatitis C.
 - It is important to balance the significant costs to the system with the benefits.
 - In the cases of Sovaldi and Olysio, the combination of a potentially large patient population and the price of the medication is creating concerns regarding the affordability of the treatment across the country, particularly in state Medicaid programs.
 - It is critical that we begin a dialogue with the relevant stakeholders to discuss ways to add high cost treatment.